Cash credit/credit card system to farmers

1284. DR. YELAMANCHILI SIVAJI : Will the Minister of FINANCE be pleased to state :

(a) what are the names of nationalised banks that are implementing cash credit/credit card system to farmers;

(b) what is the total credit extended under this system; and

(c) what is the experience of the lending institutes in this ragard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH) : (a) to (c) As per information received from Reserve Bank of India (RBI), 21 Public Sector Banks have introduced the Agriculture Credit Card Schemes in selected district of the States. The names of the banks which have introduced the scheme are : (1) Syndicate Bank, (2) Canara Bank, (3) Bank of India, (4) Vijaya Bank, (5) Union Bank of India, (6) United Bank of India, (7) Dena Bank, (8) UCO Bank, (9) Indian Overseas Bank, (10) Andhra Bank, (11) Bank of Maharashtra, (12) Allahabad Bank, (13) New Bank of India, (14) Central Bank of India, (15) State Bank of India, (16) State Bank of Mysore, (17) State Bank of Saurashtra, (18) Corporation Bank, (19) Punjab National Bank, (20) Bank of Baroda and (21) Punjab and Sind Bank. The data reporting system of RBI does not generate the information in the manner asked for. The experience of the lending institutions as regards credit card scheme for farmers is concerned is as under :

(1) The Scheme is more popular in irrigated tracks as compared to dry land areas. The Scheme is more successful in high potential areas like Punjab, Western U.P. and Haryana.

(2) The Card holder is left with sufficient time to market his produce to get better price as he need not resort to distress sale.

(3) The utilisation of the scheme is satisfactory.

(4) The system is not well taken in the market as the suppliers of goods insist on cash payment rather than receiving cheques from the farmers, collection of which, many a time, involves some Charges, especially when the farmer has purchased crop input from a place other than where the financing branch is located and the cheque has been presented to another branch for collection, by the supplier of goods.

Reserve Bank of India (RBI) and National Bank for Agriculture and Rural Development (NABARD) agrees to the suggestions of Agricultural Credit Review Committee (ACRC) that cash credit system may be tried in perennially irrigated areas with multiple cropping where farmer borrowers are likely to have surplus funds and likely to have credit needs at frequent intervals. Even in such areas, the facility can be extended by banks selectively to borrowers with good record of operations and repayment. The information system in RBI does not generate data separately about the nationalised banks implementing the cash credit system.

Request by Government of Maharashtra for issue of irrigation Bonds

1285. SHRI SATISH PRADHAN : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that Government have received a letter dated 8th April, 1992 from the Chief Minister of Maharashtra requesting permission for raising special irrigation Bonds for Rs. 100/- crores during 1992-93 on an experimental basis; and

(b) if so, what is the reaction of the Central Government thereto ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR) : (a) Yes, Sir.

(b) The present scheme of public sector bonds is restricted to only those undertakings which are wholly or partly owned by Central Government. State level undertakings are to be governed by SEBI guidelines on debentures. Borrowings by the State

Government are governed by the standard requirements of financing annual plans as approved by Planning Commission.

Adverse effect of Economic Policies on Small Scale Industries

1286. SHRI TINDIVANAM G. VENKATRAMAN : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the economic policy of the Government has considerably raised the rupee value in international area :

(b) if so, what is the percent thereof when compared to the past;

(c) whether Government are aware of the fact that the small scale industry stands crushed due to the new Economic Policy of the Government; and

(d) what steps Government propose to take to save the sinking small scale industrial units and its labour ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR) : (a) and (b) The exchange rate of the Rupee *vis-a-vis* selected major world currencies before the new economic policy and now are given below.

(Rupees per unit of foreign currency)

Currency	June 28, 1991	November 25, 1992		%Depreciation (—)	
		Official Rate	Market Rate*	Official Rate	Market Rate*
US dollar	21.0888	25.8900	30.0571	—18.5	—29.8
Pound Sterling	34.3600	39.4952	45.8190	—13.0	—25.0
Deutsche mark	11.7160	16.2401	18.8501	—27.9	—37.8
Japanese yen	0.1527	0.2091	0.2430	—27.0	—37.2
French franc	3.4543	4.7838	5.5538	—27.8	—37.8

*FEDAI Indicative rate.

(c) and (d) The New Industrial Policy does not take away any of the concessions/facilities enjoyed by the small scale industrial units like the reservations of products for exclusive manufacture in the SSI sector, its priority for bank finance etc. The Government has already announced the small scale Industrial Policy in August, 1991 the primary objective of which has been to impart more vitality and growth-impetus to the sector to enable it to contribute fully to the economy particularly in terms of growth of output, employment and exports.

Bank loan to SSI Units

1287. SHRI SANGH PRIYA GAUTAM : Will the Minister of FINANCE be pleased to refer to the answer to Unstarred Question 137 given in the Rajya Sabha on 24th November, 1992 and state :

(a) whether there is any proposal under Government's consideration to provide bank loans to SSI units, particularly tiny and village industries at lower or concessional rates of interest;

(b) if so, what are the details thereof; and

(c) what further steps are proposed to be taken to ease the flow of bank finance to SSI sector ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH) : (a) and (b) No, Sir. However, the Reserve Bank of India have reported that the SSI Sector already currently enjoys